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Westly Announces National Support for Global Warming Proposal

New York City Comptroller, Connecticut Treasurer Sign on to Westly Plan

SACRAMENTO – California State Controller Steve Westly announced today the support of New York City Comptroller William C. Thompson and Connecticut Treasurer Denise Nappier in the fight to reduce greenhouse gas emissions from automobiles.

“The world is behind our efforts to protect our environment from damaging greenhouse gases,” Westly said. “I welcome the help of my colleagues from the East coast. Together, we are united in doing everything we can to save the environment for the next generation—regardless of where they live.”

Westly’s plan is to pressure the world’s largest automakers to invest in producing cleaner cars that consumers and markets around the world demand.

“Carbon dioxide, a major contributor to climate change, is the main greenhouse emission from gasoline and diesel-powered vehicles,” New York City Comptroller Thompson said. “With the recent ratification of the Kyoto Protocol and increasing regulatory mandates, automobile manufacturers would best serve the long-term interests of their shareholders by effectively allocating resources to the development of fuel-efficient vehicles, rather than sue state regulations that reduce motor vehicle emissions.”

Currently, the shareholder coalition endorsing the effort includes the California Public Employees Retirement System (CalPERS), which holds \$838 million worth of shares in the big eight automakers AND The California State Teachers’ Retirement System (CalSTRS) which holds \$716 million in auto stock. Westly sits on both CalPERS and CalSTRS boards.

The coalition also includes New York State’s pension fund, New York Common, which brings the aggregate total stock investment in the auto industry to more than \$2 billion.

State and city pension funds, labor, foundations, religious groups and other institutional shareholders have filed 31 GHG emission-related resolutions – including two targeted at the auto industry by Treasurer Nappier, principal fiduciary at the Connecticut Retirement Plans and Trust Funds.

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Global Warming Support 2-2-2

"The auto industry accounts for 20% of CO2 emissions in the United States, so reduction of these emissions will need to be part of any effective program to address climate change," Treasurer Nappier said. "As a long-term investor, I would be concerned about the value of our investments if car companies were not prepared to operate in a carbon constrained economy. I congratulate Controller Westly for his leadership in engaging the auto industry on this issue."

"California's pension funds are among the largest investors in the world," said Westly. "We have the responsibility to do what we can to increase shareholder value of the companies we invest in."

California Not Alone

The auto industry is one of the largest contributors of GHG and that makes it a prime target for governments around the world.

China, Russia and the European Union have adopted Kyoto and are already working toward reducing GHG emissions. Canada is not far behind. The United States and Australia are the only industrialized countries left that have not signed the Kyoto Protocol.

"The world is moving forward and global markets are changing. The United States must catch-up on this issue," Westly said.

The Kyoto Protocol directs developed countries to significantly reduce their GHG emissions from the years 2008 through 2012. The protocol became effective on February 16, 2005 after Russia signed the agreement.

Golden State Efforts

Former Governor Gray Davis signed the first GHG automobile emissions bill in 2002 (Pavley **AB 1493**). The GHG regulations are enacted in stages. California will have the toughest GHG regulations in the world once the plan is fully implemented by 2016.

This year, Westly is sponsoring **AB 1365** authored by Assemblymember Ira Ruskin (D-Redwood City). This legislation would close the loophole created by the United States' refusal to sign the Kyoto Protocol and mandate California adopt the group's GHG emission standard reductions.

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